

Message Text

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C O N F I D E N T I A L GEORGETOWN 1820

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, GY, EAID

SUBJECT: FONMIN WILLS APPEALS FOR PROCEEDING WITH AID LOANS

REF: GEORGETOWN 1817

SUMMARY: WILLS COMMENTS ON US ECONOMIC ASSISTANCE AND TRADE DURING OUR DISCUSSION ON UNISSUES SEPTEMBER 10 (REFTEL) LED INTO A DISCUSSION OF THE CURRENT STATUS OF USAID LOANS. HE ASSERTED THAT IMPLEMENTATION OF THE PENDING LOANS WOULD HAVE A HIGHLY FAVORABLE IMPACT ON US-GUYANESE RELATIONS. THE FOOD CROPS LOAN WAS ESPECIALLY IMPORTANT BECAUSE FOOD PRODUCTION WAS NOW GUYANA'S TOP PRIORITY. END SUMMARY.

1. WILLS SAID HE RECOGNIZED THAT THE LOANS HAD BEEN HELD UP BY THE US IN RETALIATION FOR GUYANA'S HAVING VOTED AGAINST THE UNITED STATES ON CERTAIN ISSUES AT THE UNITED NATIONS. THE COMMON VIEW IN THE CABINET AND IN THE PARTY, HOWEVER, WAS THAT THE REASON FOR CUTTING OFF THE ASSISTANCE PROGRAM WAS THAT GUYANA'S GOVT HAD NATIONALIZED FOREIGN FIRMS AND HAD DECIDED TO ESTABLISH A SOCIALIST ECONOMY.

2. WILLS SAID THAT HE WAS A SOCIALIST BUT HE DID NOT BELIEVE IN THAT MARXIST-LENINIST NONSENSE (HE USED A MORE ORGANIC TERM THAN NONSENSE) AND THAT HE HAD BEEN HERE LONG ENOUGH TO KNOW THAT BURNHAM WAS NOT GOING TO CREATE A MARXIST-LENINIST SYSTEM. I REMINDED HIM
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THAT RHETORIC LAST YEAR AND EARLIER THIS YEAR HAD SEEMED TO INDICATE

THAT GUYANA WAS HEADED IN THAT DIRECTION. HE RESPONDED THAT WAS BURNHAM'S WAY OF NEUTRALIZING JAGAN.

3. WILLS REFERRED TO OUR MEETING EARLIER IN THE DAY CONCERNING TERRORISM, ALLEGEDLY PERPETRATED BY ANTI-CASTRO GROUPS, AND SAID THAT THE STALLED AID LOANS WERE CITED BY SOME OF HIS CABINET COLLEAGUES AS AN INDICATION THAT THE US IS HOSTILE TO GUYANA AND THEREFORE COULD BE EXPECTED TO BE BACKING THE CUBAN EXILE GROUPS.

4. I ASKED WHAT EFFECT THAT IMPLEMENTATION OF THE LOANS WOULD HAVE. HE REPLIED THAT IT WOULD DO MUCH TO ELIMINATE SUSPICIONS THAT THE US WAS TRYING TO UNDERMINE GUYANA AND ITS DEVELOPMENT. IT WOULD HELP COMBAT THE CUBAN EFFORTS TO CREATE SUSPICIONS IN GUYANA CONCERNING THE UNITED STATES. THE CUBANS CANNOT OFFER ECONOMIC ASSISTANCE, BUT THEY ARE PLAYING ON GUYANA'S SECURITY FEARS AND PROMISING SUPPORT IN THAT AREA. THEY WANT TO MAKE GUYANA DEPENDENT UPON THEM FOR INTELLIGENCE AND SECURITY ASSISTANCE. BY PROVIDING EVIDENCE THAT THE US IS NOT HOSTILE TO GUYANA, THE RESUMPTION OF AID WOULD DIMINISH THE FEARS THAT THE CUBANS ARE EXPLOITING. WILLS SAID IT WOULD GIVE INCREASED CREDIBILITY WITHIN THE GOVT TO HIM AND OTHER MODERATES WHO ARE "FRIENDS OF THE UNITED STATES".

5. WILLS, IN PREVIOUS CONVERSATIONS, HAD MENTIONED THE USAID PROGRAM, BUT NOT IN A DIRECT REQUEST FOR RESUMPTION OF THE PROGRAM. I REPEATED TO HIM THAT, DESPITE GUYANESE SUSPICIONS AND CERTAIN EXAGGERATED NEWSPAPER REPORTS OF THE PRESENCE AND INFLUENCE HERE OF COMMUNIST COUNTRIES, THE US HAD NOT BEEN ENGAGED IN DESTABILIZATION AND THE ALLEGATIONS GUYANA HAD MADE TO THAT EFFECT HAD TURNED MANY PEOPLE IN THE US SOUR ON GUYANA. WILLS QUICKLY SAID THAT DESPITE THE CLAMOR FROM SOME OF HIS COLLEAGUES EARLIER IN THE YEAR, HE HAD SUCCESSFULLY RESISTED ALL ATTEMPTS TO NAME THE US AS A PERPETRATOR OF DESTABILIZATION. I TOLD HIM HIS VIEWS WOULD BE REPORTED TO WASHINGTON.

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